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## United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

January 8, 2004

The Honorable Hector V. Barreto  
Administrator  
U.S. Small Business Administration  
409 Third Street, S.W.  
Washington, DC 20416

Dear Hector:

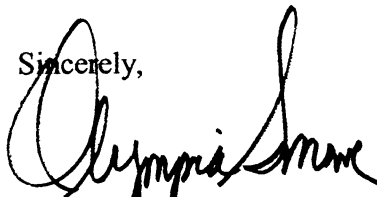
On December 23, 2003, the Small Business Administration (SBA) provided notice to me, as Chair of the Senate Committee on Small Business & Entrepreneurship, of its intention to impose a "cap" on individual loans in the SBA's 7(a) loan program as of January 8, 2004. This notice was required by Section 7(a)(24) of the Small Business Act, which provides that the SBA must notify the Committee at least 15 days before "making any significant policy or administrative change affecting the operation of the loan program under this subsection."

The SBA's subsequent actions in shutting down the program around January 5, 2004, or an earlier date clearly violate this statutory requirement.

While regretting this violation, it should not stand in our way of resuming the program's operations immediately. I remain completely committed to working with you to achieve continued success for the 7(a) loan program, which in just the past three years has provided financing to more than 150,000 small businesses and thereby created more than one million new jobs. I know of your own firm commitment to this endeavor, and I look forward to working with you in this most worthy cause. My staff continues to be available to work with your agency and others to find a positive resolution.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Olympia J. Snowe  
Chair